Double A
Double A (1991) Public Company Limited

Tim King
27TH February 2017
Assistant Director | Anti-Dumping Commission
55 Collins Street, Melbourne VIC

Submission – PUBLIC RECORD VERSION

Dear Tim,

Further to the submission by Double A (1991) dated 23rd December 2016 and the meeting with the commission on Friday 17th February 2017 to clarify the submission,

In the EQR section E-1 Costs associated with export sales (**8. Currency conversions) it is stated:**

In comparing export and domestic prices a currency conversion is required. Fluctuations in exchange rates can only be taken into account when there has been a 'sustained' movement during the period of investigation (see article 2.4.1 of the WTO Agreement). The purpose is to allow exporters 60 days to adjust export prices to reflect 'sustained' movements. Such a claim requires detailed information on exchange movements in your country over a long period that includes the investigation period.

Double A (1991) EQR response to this section included the following:

During the course of the investigation period there was a significant and sustained shift in the $A/THB exchange rate of approximately -15% which impacted Q4 2014 and Q1 2015.

This shift is extremely important as pricing for Australian shipments is based on order placement date which is typically [redacted] {confidential corporate information} *prior to arrival in Australia.*

As an outcome of the marked and sustained depreciation of the AUD, there is a very significant difference in currency between order placement and arrival in Australia in particular during Q1 2015 and Q2 2015.

[redacted] {confidential corporate information}

Adjustment for the sharp exchange rate movement needs to include the following:

This adjustment will primarily impact all orders placed in Q3/Q4 2014 and Q1 2015 as this the period where there is the greatest exchange rate movement which impacts like comparison between domestic market and Australia

บริษัท ดั๊บเบิ้ล เอ (1991) จำกัด (มหาชน)
(ทะเบียนเลขที่ 0107537000602)
สำนักงานใหญ่ 1 หมู่ 2 ต.ท่าตูม อ.ศรีมหาโพธิ จ.ปราจีนบุรี 25140
โทร : (037) 208800-39 แฟกซ์ : (02) 6591441

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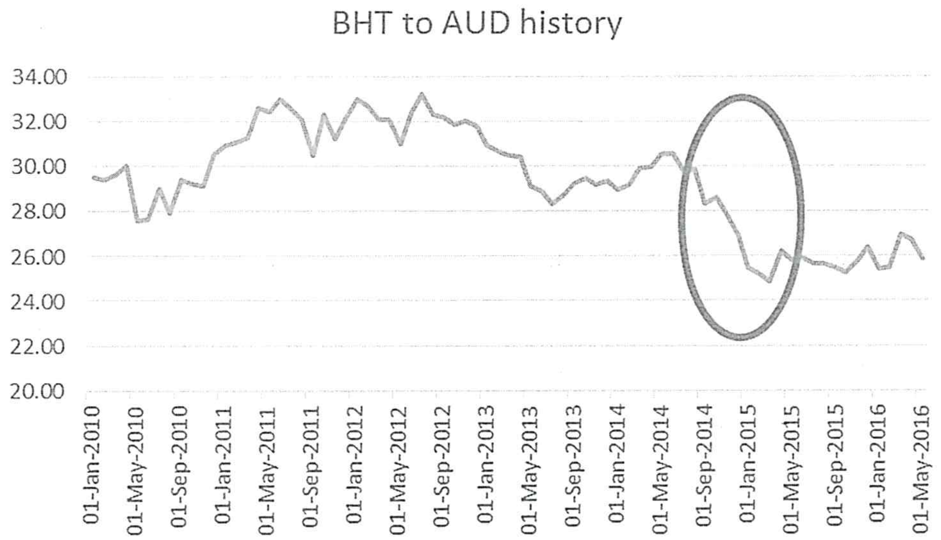
Furthermore the commission is requested to consider [redacted] {confidential corporate information}

In the EQR Double A (1991) presented exchange rate data across 2014 and 2015 and furthermore during the verification visit in June 2016, Double A (1991) demonstrated the impact of exchange rates to the commission with data (see below) from Jan 2010 to May 2016. This chart highlighted the sharp appreciation of the Thai baht to $A which occurred in the period directly leading into the investigation period



In the Double A submission dated 20th October (confidential attachment 2), based on EQR verified data the average time between order placement and invoice [redacted] {confidential corporate information}

The importance of this issue is demonstrated by the following chart which compares the exchange rate on the date of invoice with the exchange rate [redacted]. {confidential corporate information} Clearly there was a **sustained currency movement** given fluctuation of greater than 2.5% **every day** from [redacted]. {confidential corporate information}

The average daily fluctuation across this period was [redacted] {confidential corporate information}

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[redacted]

{confidential corporate information}

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According to ADC guidelines - the principles underlying the provisions of s. 269TAF(3) to 269TAF(6) are that an exporter faces a lag in responding to exchange rate changes and this should be recognised in anti-dumping investigations.

WTO guidelines - Conversion of currency

Where the comparison of normal value and export price requires conversion of currency, the Agreement provides specific rules governing that conversion (Article 2.4.1). Thus, the exchange rate used should be that in effect on the date of sale (date of contract, invoice, purchase order or order confirmation, whichever establishes material terms of sale).

Double A (1991) has provided extensive evidence that the material terms of sale were established when orders were placed.

Double A (1991) has demonstrated that a Sustained Appreciation of Thai Baht impacted exchange rates between purchase order placement and invoices for a substantial period during the 1st half of 2015. In fact Double A (1991) has previously shown in its submission dated 20th October 2016 has already demonstrated that if the currency fluctuation is calculated based on a rolling 8 week average rate prior to order placement, the average daily fluctuation is in excess of [redacted] {confidential corporate information}. The 8 week rolling average is the methodology which the ADC has used to measure currency fluctuation.

Current Commission treatment takes no account of the exchange rate at the date of order placement and the sustained appreciation of the Thai Baht between purchase order placement and thus this creates a totally unfair comparison of export and domestic prices.

In summary, during the period from [redacted], {confidential corporate information}
a comparison of the currency movement using the date of order versus the invoice date (based on average [redacted]) {confidential corporate information} demonstrates an abnormal average of minimum [redacted] {confidential corporate information} percent appreciation of the Thai Baht, which needs to be adjusted for. This will markedly affect the dumping margin calculation and Double A (1991) continues to assert that:

- the proposed dumping margin has been significantly overstated the sustained appreciation of the Thai Baht, [redacted] {confidential corporate information}
- must be recognised in the assessment of any injury causation.

In addition to the above, as an outcome of increases in [redacted] {confidential corporate information} during the course of 2015 (see below - evidence

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already provided by Double A (1991)), the dumping margin as calculated by the commission would have reduced over the course of 2015 and even further in 2016. To date this reduction has not been taken into account by the commission and thus the proposed dumping margin has been overstated.

[redacted]

{confidential corporate information from previous submission}

These matters must be considered by the Commission prior to the recommendation to the Parliamentary Secretary.

We anticipate that the above provides sufficient information to support the position of Double A (1991) on these matters and consideration of the commission, however please advise if any further information is required.

Yours Sincerely

For and on behalf of
Double A (1991) Public Co., Ltd.

Mr.Thirawit Leetavorn
Senior Executive Vice President

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